

FISHER HEARING

(Continued from Page 1)

At the conclusion of the morning's work, Secretary Fisher said that the party will leave tomorrow evening for Kaula, and the plan now is to return early Thursday morning. Fisher read over a list of names of witnesses mentioned and still to be called, the list including W. D. McWayne, Wallace R. Farrington, A. F. Judd, F. L. Waldron, C. C. Bittling, Dr. E. V. Wilcox, S. Sheha, J. A. McCandless, B. O. Clark, J. G. Smith, Cecil Brown, J. W. Pratt, A. L. Castle, D. L. Withington, Walter Bradley, George F. Renton, S. T. Starratt, F. B. McStocker, E. I. Spalding, C. K. Nottley, D. P. R. Isenberg and R. W. Shingle. W. D. McWayne, a small farmer, and E. K. Ellsworth, his son-in-law, may be called tomorrow morning.

A. W. Carter, manager of the Parker Ranch, was the first witness called at the Fisher hearing this morning. He was a member of the land board appointed by Governor Frear in 1908.

He explained the activities of the Parker Ranch, stating it is practically devoted exclusively to cattle and sheep, though raising some grain and a small amount of cane. He said he has 12,000 or 14,000 shares of stock in the Olaa sugar plantation and was a director of that concern for some years.

Asked concerning immigration, he said he had taken little or no part in that line of activity. Mr. Fisher said he had heard a good deal of complaint against the methods of handling it here.

"I believe the introduction of such people as the Spanish, Portuguese and Russians is a good thing for the Territory. On the other hand, I am opposed to Filipino immigration, because they are an inferior race and will never become true Americans," stated Carter.

Carter, asked concerning the policy of the men responsible for immigration, said he believed the dominant interests were in favor of Filipino immigration because it tends to cheapen labor.

He declared he thought there is no shortage of labor here. If there were, there would be an elimination of some acreage in crops. He said Mr. Ivers and the members of the Board of Immigration would be most familiar with the situation.

He stated that his plantation employed Hawaiians, Portuguese, Russians and Japanese. He thought the Hawaiians were the best class of labor. The plantation pays \$24 to \$26 a month and a food ration costing the plantation about \$10 to \$12. He said his concern pays a little more than the average sugar plantation. It also furnishes houses, for which no charge is made.

Fisher then brought forth Carter's separate report on the Governor's advisory committee.

Discussing the Hilo railway, he said at the present time practically all the lines on that island have steamer connections. Freight should be picked up at Hilo for direct steamship carriage to Atlantic Coast or other world ports.

Big Shippers Favored.

He was asked as to his statement in the report that great discrimination was shown between the large and the small shipper. He said he believed that is still true, and added, as a concrete instance, that he, being a large shipper, is getting a lower rate than the smaller shippers. He could ship a full load of 75 head. He did not think the cost of shipping small numbers of cattle on the small steamers would be greater proportionately than of large shipments on the larger boats.

He says he does not think discrimination has been done away with. He thought the Mauna Kea is the only boat not carrying cattle. Three carry 75 head, two or three 65, and the rest, or larger numbers, 25 or 30 head.

He said his suggestion of Federal control had not been made thinking of interstate commerce commission control, but said he believed that a public utilities commission would be an excellent thing.

He said he thought that, because of the divers nationalities the Governor should have power to exert large discretion in the homesteading problems. He repeated portions of his report, touching the various phases of the homestead question. He believes there is a natural antipathy of the sugar planters against the homesteader, because the planter will not realize as much from a homesteader's crop as from the labor of the Oriental.

The system of small-holder cane-growing suggested by Mr. Bottomley the other day was narrated to him by the Secretary.

"Do you think they will be successful in keeping wages down to the Oriental scale?" the Secretary asked. Carter said wages are gradually increasing. Eventually the small landholder system will obtain, he thought, and believed it would prove more satisfactory than the day labor system.

He told of the system used in handling labor on the Parker Ranch, and the hours of work. Asked for suggestions to aid in the present general inquiry, he said he felt that homesteading has been hindered more by the large interests than by natural conditions.

"But any government that tries to make them see the error of their way will have its hands full."

He said when Governor Frear was appointed he felt the Territory was getting the best and ablest man to handle the situation.

Against Leasing.

He would suggest opposition by law to the leasing system. "I think conditions here justify radical action in that respect."

The Secretary reminded him that Kinney had represented the interests in seeking to bring and hold immigrants here. He asked how he reconciled that to Kinney's position on the public policy.

Carter said Kinney did his work for the plantations in his professional capacity.

Reminded by Attorney Ashford that Carter is chairman of the land board, the Secretary asked him further as to his views on the land problems. Carter explained the system of opening public lands on which leases have expired.

He said his duties had nothing to do with homesteading, however. He said the Governor had discussed questions of policy with the land board, but had never attempted to influence it or usurp any of its functions.

Under questioning by Attorney Olson, Carter thought a public utilities commission should be chosen and appointed by the Governor, not chosen by the elective method, and that it should have general jurisdiction over all public utilities in the Territory.

Attorney Ashford asked if he would not think the Senate might choose such a board. He did not think that would be satisfactory, and that good men would be left off the board. Prince Kuhio, asked for an opinion on the idea of a county public utilities board, said he favored a Territorial board.

Attorney Ashford and the Secretary then discussed the desirability of taking up some land matters in detail at once or after the trips to the other islands. It was finally decided to postpone the detailed inquiry into these questions until later.

Price Not Fair.

"It seems to me \$4 a ton for cane with sugar at 4 cents seems not fair," said Carter, discussing the rates paid by the plantations to the growers. He thought it is unfair to the man who owns the land and bears the burden of producing the crop.

He said he does not have much faith in the American homesteader—the man coming from the States. That man will not be content with the social advantages, or lack of them here, and to other conditions in general. He did not think the community plan would work unless the plantations desire it and are willing to cooperate. This was with reference to sugar lands. It might prove satisfactory on other lands.

The Governor should be able to discriminate against men who, he believes, would not remain on the land permanently.

Asked if it is not a fact that the system is burdened by the sugar factors, or agencies, who, Ashford said, "sit upon it like thirteen men on the dead man's chest?" Carter said he was not sufficiently familiar with the sugar industry to answer the question.

Ashford, in reply to the Secretary's query, said that the brokers here control virtually all the big sugar plantations, and take their percentages from the business both ways.

He said the brokers are actively interested in all the big plantations, asserting he could name a dozen such who virtually control the business.

Governor Frear, in answer to the Secretary, said this is true. He said there is one plantation on the island of Kaula which is not compelled to sell its sugar through the brokers. He explained the system of handling the sugar brokerage business, as it came to him in the course of a hearing when he sat on the bench of the Supreme Court a few years ago.

After some discussion between the Governor and Fisher, the latter asked if it wouldn't be a good thing for a stockholder of a plantation to make the condition of affairs public, where the sugar broker, taking advantage of his power as controlling interest in a plantation, to compel it to pay him an exorbitant rate, at the same time compelling it to sell through his agency.

The Governor thought this might be all right.

Ashford, asked what he understood the duties of Clark, the member of the board of immigration, said he did not know that Clark had any duty other than to draw his salary, and remarked that he is at present touring Europe.

Ashford, a moment later, asked Governor Frear about the latter's attempt to reduce prices of foodstuffs at the plantation stores, stating that a couple of years after the Governor's attempt, Mr. Keefe issued a statement that prices were far too high. The Governor admitted there had been some difference in opinion at that time concerning the plantation store prices.

Shortly afterward Mr. Carter was excused.

Dr. Clark Discussed.

Delegate Kuhio was asked directly by the secretary what he thought of Dr. Clark, and Secretary Fisher read from a letter written to him from Hawaii which declared Dr. Clark is the best-informed man in the island on all subjects. Ashford says his comments on Clark are comments on the organization or lack of organization in immigration work.

Gov. Frear was asked as to Clark's powers of discretion and said that Clark is the active man "on the job" and that though the board of immigration is composed of independent men, they rely a good deal on his judgment and acquaintance with the detail of the work. Gov. Frear said that Dr. Clark is the moving spirit in the establishment of the marketing division.

Secretary Fisher then took up the bringing of immigrants here from Europe, asking about complaints of bad conditions on board the immigrant ships. Gov. Frear said that the charters are made by an agent in Europe, who, however, is under the control of the board, but that sometimes the management of the ships themselves would not be of the best. Secretary Fisher then asked about the story that the Japanese contractor here who had contracted to feed immigrants and because of their detention, the Japanese had to pocket a loss of from \$6,000 to \$10,000.

Gov. Frear explained that the Federal government takes a bond to cover possible defection by the steamer company.

Up to U. S. Officers.

Gov. Frear was asked then if, as the Territorial government is bringing in these immigrants, it should not concern itself more with their maintenance when detailed by the Federal Government. Gov. Frear thought not. He said the matter was in the hands of the Federal officials, and that as a matter of fact the Federal government has control of their coming here, to the extent that the marine hospital service passes on them even before they leave Europe.

Secretary Fisher said that the question is a "human problem."

Secretary Fisher said the suggestion has been made by the Territory is trying to bring in the immigrants in too large lots and thus cut down the average cost, and that a wiser policy would be to bring in smaller lots. Gov. Frear said there is no question of this being the case, and that the board is trying to do just this thing.

The Secretary then asked about misrepresentation of conditions here by agents either of the planters or of the Territory, made in the Far East to Russian laborers. Gov. Frear said this complaint arose several years ago and that most of it probably arose from the fact that they found the cost of living higher here than they had expected, and that an agent of the Russian government had investigated the complaints and reported them generally groundless.

L. T. Peck Called.

Secretary Fisher then called on L. Tenney Peck.

Mr. Peck was asked about his business connections here, and the holdings of the S. N. Castle Estate, Ltd. He said he is one of the directors of Castle & Cooke, Ltd., but explained that the sugar agencies are dominated by some one or two men who are familiar with every detail of the business. The stock in the Castle Estate is held, he explained, by members of the family and descendants.

He says insofar as his managerial work is concerned, his position is that of a manager, not a stockholder, and that his connection with the Castle Estate has no connection with his cashiership of the bank.

"My observations are not the observations of a sugar man nor of an expert in any particular direction," he said. "My observations have been those of the relations of public policy and private interests."

He said that the explanation of the institutions of the islands lies in "necessity" and applied this to the big agencies. He said originally the agencies were the mainstay of the small farmer or small landholder. He mentioned the sale of what is now the Hawaiian Commercial lands by Princess Ruth to Charles Spruce for \$10,000 as an illustration of the small beginnings of present great businesses.

He said his first impressions of this scheme of evolution was modified later by the knowledge that agencies were also getting earnings from ownership of properties. He said he thought the commissions charged by the agencies were quite moderate. He said in past times the plantations were paying rather large profits on necessities. He said that the temptation of human nature is to allow abuse of power to go hand in hand with power, but he declared emphatically that his observation of this community is that this temptation is less yielded to than in other places of which he knows. He asserted that the moral standard operating here has resulted in less general dissatisfaction here than in other countries.

Asked with regard to the future disposal of government lands and government water rights, he said he has a sort of apprehension of the operation of the United States land laws.

"The whole society of these islands has given intrinsic value to the lands," he said. "Here are these public lands made valuable by the industries and classes, and I feel that the school teacher has an interest in these lands just as much as the would-be homesteader, and I believe that they should be administered for the whole people. And that, Mr. Secretary, I think the Governor has done. I know he has had to stand against the insatiable demands of those who have lands as well as those who want lands. For those who want lands. For that I think he deserves approbation."

Mr. Peck said he was not entirely prepared to say what to do about possible homesteading of the cane lands. He said he has sometimes thought it might be wise to take a less yield from the land than would be secured under an extension of the capitalistic system; that perhaps smaller mills might be built.

He was asked about the possibility of attempting to regulate the sugar mill as a public utility. He answered, "I do not believe in retroactive legislation but I think if a mill were built expressly as a custom mill, by all means it should be regulated as a public utility."

He said he thought that as the public lands are so small, they should be kept for the public and administered so that they would be not sold or leased for small terms. He said he believes that the government should get all the possible profit out of its leased lands, just as much as if it should be a private citizen leasing land. He said the territory should not lease on easy terms.

Turning to labor conditions, Mr. Peck said he believes there is an actual shortage of labor here.

"I have yet to see why, when these planters are producing an article which is in competition with a product from all over the world, they should increase wages above the scale fixed by world-wide forces. In other words, why should there be any arbitrary price paid for labor any more than arbitrary price paid for products."

Fisher said he has been told by Portuguese here that they find the net wages on plantations too small, that the wage scale is too near the starvation line. He asked Mr. Peck if the Portuguese would leave the plantations and drift to the cities if the rate of wages were higher. Peck said as a rule the immigrants are satisfied with the inducements under which they come here and go to work.

He said that there is a difference here between the workings of "moral conscience" and "economic conscience," and that the moral conscience here has led many planters to give back in private beneficence the profits he had made. He instanced what the late H. P. Baldwin has done for homesteading.

Mr. Peck was then asked about Rapid Transit wages. He said they average eighty per cent higher than paid in Washington, D. C. and much more than in smaller cities.

Mr. Fisher thought that wages on the mainland are higher than Mr. Peck had instanced.

Peck said that for ordinary labor they pay about \$1.50 per day.

"We pay wages, Mr. Secretary, which keep Anglo-Saxon in the territory," said Peck. "We make no discrimination against Hawaiians," he said, "although some of them find the work too strenuous, requiring too much concentration and hard work, perhaps." He said he does not believe that as a rule the Rapid Transit is bothered by a labor shortage.

As to Rates.

On general transportation matters, he said he thought transportation rates should be controlled by a public utilities commission. As to the rates themselves, he said he had never felt the Inter-Island rates to be excessive. He expressed himself as having no objection to supervision of the Rapid Transit Company by a public utilities commission.

Attorney Ashford questioned Peck regarding to benevolence by the plantations for their employees, asking him for instances where plantations have voluntarily helped to uplift their labor socially. Mr. Peck said his knowledge was gained more from hearsay and general rather than specific. He said at Ewa a free kindergarten is maintained and the plantation camps, etc., are quite satisfactory.

Mr. Peck here elucidated his opinion as to the disposition of the cane lands. He said he would favor homesteading if the homesteaders could control the elements of production. He did not favor letting cane lands out on long leases to corporations, except in such cases where the size of the investment to be made made a long lease necessary.

In response to another question, he said that he is not concerned directly or indirectly with any interest holding Inter-Island stock. On the political situation he talked briefly. At one point he said:

"I think that with the electorate at present, the Hawaiians outnumbering the whites two to one, the political situation is largely a question of sentiment. The Hawaiians have parted with everything in competition and they have suffrage left. I think more co-operation is necessary with the others, especially with the newcomers. The Hawaiians have been economically crowded to the rear. All sympathy, aid and encouragement should be given them, and that we should co-operate with them not perhaps so much as the basis of efficiency as on the basis of morals."

"He said that less efficiency and more broad co-operation might be beneficial."

Mr. Peck's testimony closed the morning session.

INTERESTING POINTS IN LEWIS' TESTIMONY BEFORE SEC. FISHER

Fisher: Is there any other way of preserving the principle than the ones discussed by you, that is, the principle of the amount of land which any individual can own? Is there any other way of accomplishing our main purpose?

Lewis: None that I know of.

Fisher: We would have to adhere to the principle in order to preserve our policy?

Lewis: Yes.

Fisher: Are you familiar with the operation of any of the land laws on the mainland in connection with our irrigated lands?

Lewis: I was about four years ago, but have now returned to the banking business and would rather not make any statement in that regard, but leave it to some one else who is more familiar with that line.

Fisher: Well now in these reclamation projects it is the practice to reserve the right for all ditches that may be necessary.

Fisher: Well returning to the matter of restriction placed on the lands homesteaded. You said that these restrictions are obstacles to the securing of adequate financial support from the banks.

Lewis: Yes sir. A bank, like an individual, would like to have security

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free from restrictions, if he possibly can get it.

Fisher: Are these obstacles to the banking phase of this matter, in your opinion, largely due to the restrictions placed on the property?

Lewis: They are, although as I said some banks have and do loan money to a large extent to the homesteader, taking the crop as security; but these banks are usually in close touch with the homesteader—sometimes acting as agents for the homesteader. But as a general proposition banks don't want to—loan money on land upon which they are so many restrictions, in regard to sale, etc. even after the patent is acquired.

REAL ESTATE TRANSACTIONS.

Entered for Record Sept. 13, 1912. From 10:30 a. m. to 4:30 p. m.

- Est of B P Bishop by trs to Elizabeth G Angus
William R Castle and wf by atty et al to Jukichi Uchida
Jukichi Uchida and wf to William R Castle, tr
Yee Young to Yee Young Lots. Plan Fanny Strauch and hsb to Chang Hop
Western & Hawt Invstmt Co Ltd to Helen C Boyd
Helen C Boyd and hsb to Guardian Trust Co Ltd
David L Peterson and wf to A P Lederer
Tong Wo Wai Co to Hawn Land & Imprvmt Co Ltd
Yee Sing Wai Co to Hawn Land & Imprvmt Co Ltd
F E Thompson, tr, to Perry Tract

Court of Land Registration.

- July Paka to Irwin H Beadle. P A
Toots J Paka to Richard H Trent. P A
Charles McNab and wf to July Paka
July Paka and wf to Charles McNab and wf
Entered for Record Sept. 14, 1912. From 8:30 a. m. to 10:30 a. m.
William H Gill and wf to F E Haley
F E Haley and wf to William H Gill
W C Achi, tr, to Trs of Est of Bernice P Bishop
Shirashi Kichi to Morita Tsuneji
M Kosaka adv C Shimamoto. Atchmt
H Morihara to Volcano Stables & Transpnt Co Ltd
John Olivera et al to H C Cressman
Ah Fook G Ahin to G W Lockington
Walluku Market & Land Co Ltd to Maui Meat Market Ltd
Kaillikea Ah Pau and hsb to Tr of Cyrilla G Garcia

Advertisement for SHARP SIGNS, 186 Merchant Street, Phone 1697, ROM SHARP, the Sign Painter.

Advertisement for 'WENT HUNTING DUCKS IN HIS AEROPLANE' featuring a man and a duck, with text about a duck hunt and a woman's story.

Advertisement for 'HONOLULU'S NEW AUTO POLICE PATROL' featuring an image of a car and text about a resolution regarding the purchase of a car for the police.